

Amendment No. 1 to SB0996

Bailey  
Signature of Sponsor

**AMEND Senate Bill No. 996**

**House Bill No. 846\***

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, is amended by adding the following as a new section:

**47-18-135.**

(a) As used in this section, "online payment system":

(1) Means an online or mobile system that facilitates the exchange of currency through the internet, including a money transfer or payment; and

(2) Does not include an online or mobile system provided by:

(A) A state or national bank;

(B) A state or federal savings and loan association; or

(C) A state or federal credit union.

(b) An operator of an online payment system shall not freeze the funds of a user without first providing the user with a ninety-day written notice of the online payment system's intent to freeze the user's funds.

(c) The notice requirement of subsection (b) does not apply if an operator of an online payment system has a reasonable belief that financial exploitation, as defined in § 45-2-1202, may have occurred, may have been attempted, or is being attempted, or that a violation of another law has occurred, is occurring, or may occur.

(d) A violation of this section by an online payment system constitutes an unfair or deceptive act prohibited under § 47-18-104, and is punishable as provided in this part.

SECTION 2. Tennessee Code Annotated, Section 47-18-104(b), is amended by adding the following as a new subdivision:

( ) A violation of § 47-18-135;

SECTION 3. This act takes effect July 1, 2023, the public welfare requiring it, and applies to contracts or agreements entered into, amended, or renewed on or after that date.